



**Commonwealth of Massachusetts**  
**Executive Office of Health and Human Services**  
**Division of Medical Assistance**  
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Eligibility Operations Memo 02-13  
July 1, 2002

TO: MassHealth Eligibility Operations Staff

FROM: Russ Kulp, Assistant Commissioner, Member Services 

RE: **Increased Unearned Income Disregard for Individuals Needing Personal-Care Attendant (PCA) Services**

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#### **Introduction**

Eligibility Letter 91 transmitted revised regulations that are a result of the Hermanson class-action lawsuit. The revised regulations allow a new deduction to be applied to the gross unearned income of any MassHealth-eligible individual or couple who:

- is aged 65 and older;
- is receiving PCA services paid for by MassHealth, or has been determined by MassHealth, through initial screening or by prior authorization, to be in need of PCA services; and
- has monthly income that is over 100% of the federal poverty level (FPL).

This deduction is used to determine eligibility for MassHealth Standard and is equivalent to the difference between the MassHealth deductible-income standard at 130 CMR 520.030 and 133% of the FPL. This new deduction includes, and is not in addition to, the \$20 disregard.

The purpose of this memo is to explain how MassHealth will determine MassHealth eligibility for individuals needing MassHealth personal-care attendant (PCA) services using an increased unearned income disregard.

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**New “Traditional”  
Forms**

On August 1, 2002, the new “Traditional” application, review forms, various supplements, and notices will become effective. The new “Traditional” application and community review form have a section designated for PCA services. This section contains questions that will determine if an applicant or member:

- is currently receiving PCA services paid for by MassHealth; or
- may need MassHealth PCA services because of a chronic or long-term disability that requires another person to help the applicant or member with some or all of his or her daily living activities.

If the individual self-declares that he or she is currently receiving PCA services paid for by MassHealth, he or she is entitled to the increased unearned income disregard. Enter the case on PACES using the special coding described in the “PACES coding and notices” section later in this memo.

If the individual is not currently receiving PCA services paid for by MassHealth, but answers “yes” to the questions in the PCA section, the individual is instructed to complete the PCA Supplement (gold form) that is enclosed with the application and review form.

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**DES Process**

When a MEC receives an application or review form indicating the need for PCA services that includes a completed PCA Supplement, the following process begins.

**MEC worker**

- Logs in the PCA Supplement and completes the new on-line tracking form, MassHealth Personal-Care Attendant Disability Tracking Form (PCA-TF-O).
- Faxes the PCA Supplement and the completed PCA-TF-O to the Disability Evaluation Services (DES), the Division’s disability contractor at 508-721-7227.

Please Note: Fax all completed PCA Supplements to DES regardless of the applicant’s or member’s total income amount.

**DES staff**

- Screen the PCA Supplement to determine if the individual may meet the PCA criteria for MassHealth PCA services.
  - Annotate the PCA-TF-O, and fax it back to the MEC worker. DES has 15 days to make this assessment. The MassHealth Application
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**DES Process  
(cont.)**

should pend at the MEC until DES has made a decision about the individual's need for MassHealth PCA services. (This process is similar to the way we currently handle applications with disability supplements.)

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**PACES Coding  
and Notices**

The following outlines the PACES coding for certain situations.

- If DES determines that an individual may be eligible for MassHealth PCA services, and all other eligibility factors are met, code the case as category 5, AR 02, group code 4H. This will allow the higher income disregard to be used when calculating eligibility for MassHealth.
- If the individual is eligible because the income is at or below 100% of the FPL, PACES codes the case as AR 02 or AR 12.
- If the individual's income is over 100% of the FPL, but below 133% of the FPL, and the case is approved because of the higher income disregard, PACES codes the case as AR 06. (In the past, group code 4H was designated for hospice care. However, since hospice is now a covered service under MassHealth Standard, a special code for hospice is no longer necessary for billing purposes.)
- If DES determines that an individual may qualify for MassHealth PCA services, and even though the increased disregard is used to calculate eligibility, the individual still has income that is over 133% of the FPL, the individual will receive a PACES notice that shows the calculation of the deductible amount and an explanation of the use of the special increased income disregard.

If DES determines that the individual does not meet the criteria for PCA services, DES will send the individual a DES PCA Denial letter that states the person did not meet the PCA criteria and that eligibility for MassHealth will be determined using the current community standard. The MEC worker will use the appropriate action reason and group code. The DES decision about the need for PCA services is not appealable on its own. An individual may appeal the MassHealth eligibility determination once he or she receives the PACES notice, which includes appeal rights.

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**Increased  
Disregard  
Calculation**

**For unearned income**

PACES will calculate the increased disregard for PCA services in the same manner as a regular deductible is calculated, except that the normal \$20 unearned income disregard is increased to \$460 (which is the difference between the medically needy standard and the 133% FPL standard – (\$982 - \$522 = \$460) for individuals who meet the criteria for PCA services).

PACES reviews the case to determine if the individual meets the general eligibility criteria.

- If the individual has income up to and including 100% of the FPL, the case will be approved as usual.
- If the income is between 101% and 133% of the FPL, then the calculation will reflect a disregard of \$460.
- If the case is over 133% of the FPL, the disregard of \$460 will be deducted from the gross income, and then the community standard of \$522 will be used to determine the deductible amount.

**For earned income**

PACES will calculate earned income in the usual way as described at 130 CMR 520.012.

**Examples of unearned income calculations**

1. Gross income is \$679. PACES determines that it is below 100% of the FPL, uses the regular \$20 income disregard, and the member is approved.
2. Gross income is \$855. PACES determines that it is over 100% of the FPL and uses the increased disregard of \$460. This brings the income to \$395. PACES then subtracts \$522 (medically needy standard) from \$395. Since the resulting income is less than \$00, the member is approved.
3. Gross income is \$1,300. PACES uses the increased income disregard of \$460. This brings the income to \$840. PACES then subtracts \$522 (medically needy standard) from \$840, which brings the income to \$318. This figure is then multiplied by 6,

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**Increased  
Disregard  
Calculation  
(cont.)**

which results in a 6-month deductible of \$1,908. PACES sends a notice to the applicant or member that shows how this deductible amount was calculated using the special unearned income disregard.

General Rule: If the gross income is over 100% of the FPL, then the disregard of \$460 will be applied, and \$522 will be subtracted from that figure.

Within 90 days of the initial MassHealth eligibility determination, and receipt of the special unearned income disregard, the member should have contacted a PCA agency to initiate the process of obtaining services. Central Office staff will monitor this part of the process as follow up with the member to determine if PCA services are in place. If PCA services are not necessary, MEC staff will be notified by Central Office to discontinue use of the unearned income disregard coding.

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**Questions**

If you have any questions about this memo, please have your MEC designee contact the Policy Hotline at 617-210-5331.

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